

CHARLIE BAKER
Governor



KARYN POLITO
Lt. Governor

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Governor Baker Signs \$1.8 Billion Affordable Housing Bill to Increase Housing Production, Preserve Housing Affordability

Legislation ensures continued funding for effective affordable housing programs, and extends critical tax credits to diversify housing portfolio across the Commonwealth

BOSTON – Today, Governor Charlie Baker signed *An Act Financing the Production and Preservation of Housing for Low and Moderate Income Residents* ([H.4536](#)), to ensure long-term support for the Baker-Polito Administration's comprehensive efforts to increase the production of affordable housing, diversify the state's housing portfolio, modernize public housing, preserve the affordability of existing housing and invest in new, innovative solutions to address Massachusetts' rising demand for housing.

"This bill will help expand our administration's commitment to ensuring residents across the Commonwealth have more access to quality, safe and affordable housing and economic development opportunities," **said Governor Charlie Baker.**

"Municipalities, developers, and local housing authorities will be supported by a toolbox of flexible resources to create more affordable options and explore new avenues to meet a growing demand. We thank our partners in the Legislature for working with us to pass this legislation and look forward to our continued collaboration on the administration's Housing Choice Bill to create even more affordable housing options."

Today's legislation authorizes \$1.8 billion in new capital spending for the production and preservation of affordable housing for low- to moderate-income households, supportive housing and housing serving vulnerable populations. Additionally, the legislation authorizes \$650 million for public housing modernization and redevelopment, as well as \$45 million for capital improvements at Early Education and Care facilities.

"Our administration continues to seek collaborative partnerships with communities to increase affordable and market-rate housing production across the Commonwealth, through this bill, our pending Housing Choice Initiative, affordable housing awards, the Workforce Housing Initiative and the Housing Development Incentive Program," **said Lt. Governor Karyn Polito**. "The housing bond bill builds on these efforts, and we are proud to have worked collaboratively with our dedicated partners in the Legislature to ensure continued funding for critical housing programs."

The administration's first three capital budgets supported the creation or preservation of approximately 7,500 affordable housing units, provided \$17.8 million to four public housing developments for comprehensive modernization of housing for seniors and individuals with disabilities and allowed the Department of Housing and Community Development (DHCH) to award \$150 million for deferred maintenance projects to more than 45,000 units of extremely low-income state public housing across 234 communities.

"Massachusetts' growing economy has increased pressure on our housing market, creating challenges for families, communities, and employers' ability to attract and retain talent," **said Housing and Economic Development Secretary Jay Ash**. "This housing bond bill provides tools to increase housing production, including extending the State Low-Income Housing Tax Credit and the Housing Development Incentive Program. These programs support the diverse needs for housing development, which together will help us achieve our goal of stronger, more inclusive Massachusetts economy."

The bill signing took place in Boston's Brighton neighborhood at the Harry and Jeanette Weinberg House, operated by Jewish Community Housing for the Elderly.

"Our goal is to ensure Massachusetts families and residents, despite their income, have access to safe, quality housing they can afford," **said Housing and Community Development Undersecretary Janelle Chan**. "Housing, in particular housing affordable to the spectrum of households, drives economic development, supports vibrant and walkable downtowns, promotes neighborhood stability, and enables families and residents to thrive."

“The Housing Bond Bill will continue to give the Commonwealth the tools it needs to continue confronting its housing challenges and produce and preserve the housing we need in a growing economy,” **said MassHousing Executive Director Chrystal Kornegay.** “The legislation will also allow MassHousing to increase the number of the Commonwealth’s residents who can have access to stable, quality housing. We thank the Legislature for their important leadership on this issue.”

“Preserving and producing affordable housing is central to sustaining the Commonwealth’s economic prosperity,” **said Senator Boncore, Senate Chair Joint Committee on Housing.** “This bond bill makes thoughtful and innovative investments that will serve as tools for municipalities and developers in the modernization and production of our state’s housing stock.”

“We are all well aware of the housing crisis in Massachusetts” **said Representative Kevin G. Honan, chairman of the Joint Committee on Housing.** “This Housing Bond Bill is a tangible commitment to affordable housing. The provisions of this bill are the tried and true affordable housing tools that are at our disposal. Through this bill, we will recommit ourselves to housing the elderly, disabled and homeless.”

“Today is a great day for the Commonwealth. This bond bill will allow us to continue to make important investments in housing for years to come,” **said Assistant Minority Leader Bradley Hill.** “I am proud to have been a part of passing this legislation and am thankful to the Governor and Lt. Governor for their leadership.”

“The housing bond bill expands opportunities for children, seniors, people with disabilities, and families at risk of homelessness to find safe, healthy, and affordable homes,” **said Rachel Heller, chief executive officer of Citizens’ Housing and Planning Association.** “This legislation is the result of strong partnerships among advocates, the Legislature, and the Administration who worked together to pass the bill. As one of the first bond bills filed and passed this session, the Housing Bond Bill demonstrates that creating and preserving more affordable housing is a top priority in the Commonwealth.”

“Today’s signing of the \$1.8 billion Housing Bond Bill reflects the collective determination of the Baker-Polito Administration, the Legislature and housing advocates to address the need for affordable housing in Massachusetts,” **said Clark Ziegler, executive director of the Massachusetts Housing Partnership.** “The combination of a strong state economy, high housing demand and low production has created one of the largest affordability gaps in the U.S. More than 240,000 low-income individuals and families in Massachusetts now pay more than half of their income on rent. Private housing production alone will not solve that problem. The

programs authorized in this bill are one of the few ways we can close this gap. Congratulations to all those who worked so hard to address the Commonwealth's housing needs."

"It is an incredible honor for JCHE to host this historic bill signing," **said Amy Schectman, president and chief executive officer of Jewish Community Housing for the Elderly.** "Prior bond bill funds have allowed us to build our award-winning supportive, affordable housing and these new funds will be vital to creating additional opportunities for older adults to age in community. Kudos to Governor Baker and Chairmen Honan and Boncore for their brilliant leadership on this life-or-death issue."

The housing bond bill includes:

- **State Low-Income Housing Tax Credit:** Extends the state's ability to commit \$20 million per year in tax credits to affordable housing projects until 2025 and authorizes an additional \$5 million per year in tax credits specifically to support preservation of existing affordable housing. Current law would cut the size of this tax credit to \$10 million on January 1, 2020.
- **Housing Development Incentive Program:** Extends the state's ability to commit \$10 million per year in tax credits to market-rate housing projects in Gateway Cities until 2024. Current law would cut the size of this tax credit in half, to \$5 million, on January 1, 2019.
- **Accessory Dwelling Unit Construction and Landlord Modifications:** Authorizes the use of home modification funding to construct accessory dwelling units for elders and individuals with disabilities and also authorizes up to 10% of the funds to be used to support landlord expenditures to modify units for tenants with disabilities, implementing recommendations of the administration's Interagency Council on Housing and Homelessness.
- **MassHousing Services:** Expands MassHousing's authorizing language, to allow the quasi-public agency to provide contract administration, loan servicing, and other services to other states' housing finance agencies.
- **Early Education and Out-of-School Time (EEOST) Capital Fund Facilities Improvement Grant Program:** Provides funding to non-profit child care programs licensed by the Department of Early Education and Care to renovate, acquire, or construct high-quality child care program facilities that serve low-income families and communities, fostering high quality child care environments that support positive outcomes for children.

The Baker-Polito Administration is committed to meeting Massachusetts' housing challenge through key investments, new initiatives and program reforms. With the addition of the FY19 capital plan, the Administration will have dedicated \$884 million to housing from FY16 to FY19, an increase of \$100 million over the previous four years' capital plans.

In December 2017, the administration [announced the Housing Choice Initiative](#), a comprehensive proposal to create 135,000 new housing units by 2025. The initiative, which is currently pending before the Legislature, includes a new set of incentives and rewards for municipalities committed to sustainable housing growth in their communities. The Housing Choice Initiative is a multi-pronged effort that includes a program to designate Housing Choice municipalities and new technical assistance opportunities through MassHousing, in addition to proposed legislative changes that will help deliver smart, effective zoning at the local level.

Additionally, the highly effective MassWorks Infrastructure Program continues to be a key catalyst for housing production, supporting the creation of more than 3,000 housing units. The Open for Business Initiative will drive the production of more than 2,200 units of housing on state land. MassHousing's \$100 million Workforce Housing Initiative has advanced the development of 2,309 housing units across a range of incomes, including 616 workforce housing units. And, the administration reformed the Housing Development Incentive Program, which is on track to facilitate more than 900 new units in Gateway Cities.

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